



**CITY OF RIDGECREST**  
100 West California Avenue, Ridgecrest, California 93555

**CITY ORGANIZATION AND SERVICES COMMITTEE**

February 19, 2013 - 5:00pm

**DRAFT MINUTES**

**CALL TO ORDER – 5:02 pm**

Present: Committee Member/Mayor Dan Clark, Committee Member Jim Sanders  
Staff: Interim City Manager Dennis Speer, Secretary Ricca Charlon, Finance Director Rachelle McQuiston, Asst. Finance Director Tess Sloan

**APPROVAL OF AGENDA**

Clark made a motion to approve the agenda. Sanders seconded the motion.  
The agenda was then approved as submitted.

**APPROVAL OF MINUTES – August 21, 2012**

Clark made a motion to approve the August 2012 minutes. Sanders seconded the motion.  
The minutes were then approved as submitted.

**PUBLIC COMMENTS OF ITEMS NOT ON AGENDA**

Stan Rajtora –

1. Former Finance Director, Ty Staheli, gave review of budget back at the August 2012 meeting (Mr. Rajtora provided a handout he believes he received at the meeting - handout on file with secretary). The handout showed appropriations for two years that were 1 million more than the budget hearing showed. He thought it was coming back as a future item because of the discrepancy. Wanted to know a status. Committee members were not able to answer his concern due to them not being on the committee then.

2. Recycling for trash is going well and he is thinking that if only half as much trash is going to dump the tip fee to county should be less and we should see a reduction. Hoping city might be willing to make a request for reduction in tipping fees with the county for the residential customer. – Mayor Clark said he would talk to Supervisor Gleason and get back to him.

Jerry Taylor –

Parcel tax is a Pandora's Box. From the city perspective, yes we have saved county dump fees and the request seems reasonable. Suggested maybe the county might be willing to take into consideration the street sweeping.

**DISCUSSION ITEMS**

- **MEASURE L (AS OF JAN. 31, 2013)** – Tess Sloan gave out a handout and reviewed it as part of her presentation. (Handout on file with secretary)
  - Tess stated she was not sure who is going to pay \$15,384 invoice from BOE
  - City Manager suggested that amount should be spread out same as an allocation like we do the budget.
  - Tess stated that we receive payments once a month which are projected at about 140K

### Explanation of projected revenue in

- Tess – Explained that the BOE does the calculation and bases it on prior receipts.
- J. Taylor – Considering sequestration, that number is not real and you need to make a correction on that number because we are going to see a hit in the valley – referring to TOT.
- Mayor Clark – Agreed, and stated that the city will need to take that into consideration.
- Mike Neel – referring to share of Measure L between police and streets – With backfill of the police, streets are getting very little. Every other department took cuts and police did not. He stated that he understands that police even got Measure L funds to pay for their PERS and so they actually gained. He feels that equal allocation as suggested by Speer is not right way to do it and police should pay the BOE invoice of \$15,384. Why should police have zero cuts and everyone else within the city feel it.

Actual amount in and date(s) received – see handout

Expenditures out in dollars – see handout

Percent breakdown to streets & dollar amount

- Streets – 21% of adjusted budget but have seen 0% so far of Measure L
- Police – Speer – when Measure L passed and the budget adopted shortly after, then City Manager Wilson said to spend projected money and suggested borrowing from waste water fund. Dennis Speer wouldn't do that for Public Works projects and Police decided to spend against the fund. That is why PD has already got a huge chunk of Measure L funds spent.

Balance not spent (if any) – see handout

## • BUDGET

### Executive Narrative in real time

Report not presented tonight due to it being Director McQuiston's first day on the job.

Mayor Clark – Explained this item was put on agenda for the purpose of Council and budgetary concerns. Stated he would like the focus of this committee to be finance and preparing for our budget talks. He suggested this report be given at second council meeting of each month. Director McQuiston agrees the department can do that.

### Budget review

- Tess Sloan went over report. Stated the numbers were through December 2012. Pointed out that sales tax column include Measure L monies. Pointed out that the business license column should even out on next report due to note 6 of handout. Franchise column increase due to Waste Management paying for full year in 2013. Pointed out drop in TOT. Stated that interfund transfers number down in 2013 from dissolution of RDA. In the other revenues column the city received \$621K as one time money in FY13 and spent it before it was received.
- Jerry Taylor – Asked if the city is going to be talking about what these projections are really going to be.
- Tess Sloan – Stated each department will do a projection through the end of the year.
- Jerry Taylor – Asked if the city is going to make realistic projection for this budget; not next year. Concerned budget numbers for this current fiscal year are not realistic.
- Mike Neel – Did some quick calculation and believes sales tax taking off Measure L would have a 7% negative balance and TOT would show a 4% reduction. Believes only reason we came out close to last year revenues is due to \$621K one time. Stated if this was his household budget he would decrease spending more, so if wrong he is on negative side so his household wouldn't get hurt too bad and have some surplus. Stated that using shaky projections is not a good approach.

### Expenditures

- Tess Sloan – Pointed out that each of the functions have spent less than benchmark 50% at half a year's budget. Highlighted areas in report are showing major shifts in funds. Community Development shift based on RDA employees moving to General fund. Parks difference is the pickup truck they bought. Transfer to other funds column shows an insurance allocation in FY12 in which we only allocated for 4 months not 6. This year we allocated the full 6 months.

ISF - Self Insurance fund is up due to claims by employees and one employee needing additional surgeries. Other than that they are all within benchmark

Gas Tax – we are within the benchmark – The concern is the TDA funding might not be received this year. We have not received the 2012 request as of yet.

Mayor – why haven't we received it?

Tess Sloan – Not sure why not received yet. Last she heard in November 2012 we should have been on Agenda for Kern COG. Dennis Speer said he would contact Bob at Kern COG and follow up. Pointed out that right now we are in the hole \$321K in gas tax fund. Stated she does not see the waste water loan being paid back this year due to shortage in funding.

- Jerry Taylor - Do we have a read on the RDA – what is likely hood we are going to get the money for the ROPS? What is the chance of approval from the state? (No one could answer)
- Mike Neel – Believes there needs to be a line in the expenditures for a reasonable pay back to Waste Water. This current trend means it will never get paid back.
- Dennis Speer – referencing \$250K for street lights on report - says lights are placed more for public safety, not engineering/traffic, and should be moved into the general fund.  
Overtime report- transit and waste water are not from general fund. They have their own separate funding.
- Jim Sanders – What is the general policy for OT?
- Tess Sloan – Each dept has their own policy and I am not sure of them.
- Jerry Taylor – Suggested the authorization of OT be raised to another level for approval.

#### Zero based budget

- Dennis Speer – Stated that currently the city uses an incremental budget of last year's numbers for projected budget. Zero based you start with nothing and justify to the powers that be your request for funds. Concept is justification for spending. We are not through with cuts for this year and we are going to have to monitor. Prioritization and justification for this year and next year budget is essential.

#### FUTURE AGENDA ITEMS

- Same items as on this agenda to be presented at each meeting
- Travel budget review

#### ANNOUNCEMENTS - None

#### ADJOURNMENT – 6:30pm

Next meeting – Tuesday, March 19<sup>th</sup> @ 5pm